THE
# Dan Smoot Report

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DAN SMOOT

## ONWARD AND DOWNWARD

In a speech at Arco, Idaho, on August 26, 1966, President Johnson said:

**"Since 1945, we have opposed Communist efforts to bring about a Communist-dominated world."**[1]

President Johnson erred.

Since 1945, the U.S. government has aided communists (through no-win wars, foreign aid, East-West trade, diplomatic arrangements, and so on) to take control of 14 countries (Albania, Bulgaria, Cuba, Czechoslovakia, East Germany, Hungary, North Korea, North Vietnam, Outer Mongolia, Poland, red China, Romania, Tibet, and Yugoslavia) which have a combined population of over 918 million. Since 1945, the U.S. government has helped communists take *virtual* control of 16 countries (Afghanistan, Algeria, British Guiana, Cambodia, Cameroun, Egypt, Guinea, Iceland, Iraq, Kenya, Laos, Somalia, Syria, Tanzania, Tunisia, and Venezuela) with a combined population of over 124 million.[2]

More than a billion people have been enslaved by communists since 1945.[2]

Now, the Soviets' slave empire is to be consolidated.

During a visit to Great Britain in early February, 1967, Soviet Premier Alexei Kosygin said that once armed forces in Europe are reduced, government officials should carry out plans for joining the economies of Western and Eastern Europe.[3]

On February 9, 1967, West Germany's socialist Foreign Minister, Willy Brandt, speaking in Washington, echoed President Johnson's call for building a "bridge of understanding" to communist-bloc countries, to create (Brandt said) "a general European *detente* [relaxation of tensions], which we earnestly and sincerely seek." On the same day, speaking "off the record" to the New York Council on Foreign Relations, Brandt discussed, in hopeful tones, a rumor of planned reductions of Soviet and American armed forces in Europe, as a preliminary move toward merger of Western Europe with communist-bloc countries.[4]

THE DAN SMOOT REPORT is published weekly by The Dan Smoot Report, Inc., Box 9538, Dallas, Texas 75214 (office at 6441 Gaston Ave.). Subscriptions: $18.00 for 2 years; $10.00, 1 year; $6.00, 6 months; first class, $12.50 a year; airmail, $14.50. Dan Smoot was born in Missouri, reared in Texas. With BA and MA degrees from SMU (1938 and 1940), he joined the Harvard faculty (1941) as a Teaching Fellow, doing graduate work in American civilization. From 1942 to 1951, he was an FBI agent; from 1951 to 1955, a commentator on national radio and television. In 1955, he started his present independent, free-enterprise business: publishing this REPORT and abbreviating it each week for radio and TV broadcasts available for commercial sponsorship by business firms.

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On February 14, 1967, Soviet and American officials, meeting at Geneva, reached agreement on a draft treaty designed to prevent further spread of nuclear weapons — a treaty causing bitter political divisions throughout Europe and described by "conservative" German Christian Democrat Franz Josef Strauss as "a new Yalta of cosmic proportions."[5]

In an article for the October, 1966, issue of *Foreign Affairs* (published by the Council on Foreign Relations), Senator Frank Church (a CFR member) said:

**"The United States should lead its allies in their reach eastward across the Elbe, for we alone can deal, on equal terms, with the Soviet Union. But whether or not we choose to lead them, they will press on, believing as more Europeans do every day, that in Europe, at least, the cold war is over . . . ."**[6]

Through the miasma of these dialectics, one astonishing fact stands out stark and clear: having spent or given away many billions of American tax dollars for the rehabilitation and defense of Western Europe, claiming that NATO was a "free world shield" against Soviet aggression, our government is now pushing for political and economic alignment that will guarantee Soviet domination of the nations we have been defending against the Soviets.

An essential component of the operation is propaganda for unilateral disarmament and abandonment of national sovereignty by the United States. Walt Whitman Rostow (CFR member, key figure in the Kennedy administration, now Johnson's Assistant for National Security Affairs) is one of the chief propagandists.

In 1960, Rostow published *The United States In The World Arena*, subsidized by the CIA. Concerning the importance of this book, written by a government official at taxpayers' expense, Edith Kermit Roosevelt makes the following comments in her column published March 9, 1967:

**"What has now become official policy was spelled out on p. 549 of the CIA-financed book . . . . There is this statement: 'It is a legitimate American national objective to see removed from all nations — including the United States — the right to use substantial military force to pursue their own interests.'**

**"Here we recognize the disarmament drive which has translated itself into shortages of vitally needed weaponry in Vietnam, and a one-way reliance on supposedly tacit arms-control agreements with the Soviets which they never entered into or observed . . . .**

**"Rostow said: 'Since this residual right is the root of national sovereignty and the basis for the existence of an international arena of power, it is, therefore, an American interest to see an end to nationhood as it has been historically defined.'**

**"This book argues for a movement in the direction of a 'federalized world organization under effective international law.' . . .**

**"Significantly, the CIA-sponsored book urges the downgrading of our own security system. Is this part of the package of concessions that have been made to the Soviet Union? The answer is yes."**[7]

Internationalist money manipulators, instrumental in formulation of governmental policies which have brought us to the brink of one-world socialist dictatorship, are devising monetary policies for the final step.

Gold has always been the only universally accepted medium of exchange. Hence, no matter how much paper money nations may have in circulation, the only real international money is gold.

In 1944, the United States had 60% of all known gold reserves in the world; the total of all foreign claims against our gold was relatively insignificant; the annual balance of payments had been running steadily in our favor for almost a half century.

Liberals and communists argued that world trade would stagnate if the U.S. continued to dominate the international monetary supply. Hence, our government was deliberately steered



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into a course that would eliminate U.S. control of the world's gold reserve. The plan was publicly initiated at the United Nations Monetary and Financial Conference, held in Bretton Woods, New Hampshire, July, 1944.

The Bretton Woods Conference (dominated by Harry Dexter White, CFR member and Soviet espionage agent, who was Assistant Secretary of the U.S. Treasury Department) established policies which dispersed the American gold reserve among other nations.

How did the scheme operate?

Prior to 1934, the American dollar was fully redeemable in gold. Anyone, at any time, could exchange his American paper dollars for gold. This gave the people some control over the monetary policies of government. If the government embarked on policies that threatened to devaluate the paper currency, people could protect themselves by exchanging their paper money for gold, which they would hoard. The government — unable to issue paper currency not fully backed by gold — would have to curb its spending.

The Gold Reserve Act of 1934 made it unlawful for Americans to use gold as money, and forced them to accept irredeemable paper currency as a medium of exchange. Our government could not do the same to foreigners. Hence, the Gold Reserve Act of 1934 provided that foreign governments, institutions, and central banking systems could redeem their American dollars in gold, at a price fixed by the U.S. Treasury ($35.00 an ounce). Consequently, every American dollar spent, invested, or given away abroad, and every dollar spent in the United States to purchase foreign-made goods, became potential claims against our gold reserve.

To disperse the American gold reserve to other nations, all that communist-CFR-liberal planners at the Bretton Woods Conference of 1944 had to do was to reverse the balance-of-payments situation — set policies for the U.S. goverment which would cause us to spend for foreign goods and services, and to give away and invest abroad, more than foreigners spend for American goods and services and invest in the United States. The policies were set, and our government has followed them without deviation.

Government's labor policies which enable monopolistic unions to force wage rises not matched by increased production; crushing taxation to support government spending; government regulations which burden industry with costly red tape and wasteful procedures; government deficit financing which cheapens the dollar and inflates prices — all of these have so increased the cost of doing business in the United States that foreign producers can often undersell Americans, even in America. Foreign aid and foreign lending programs have forced American businesses to help subsidize their foreign competitors, sometimes providing foreign producers with modern plants and equipment which American businesses do not have. This also has helped foreigners capture markets by underselling Americans. Enormous American expenditures abroad to maintain our troops on foreign soil have poured billions of American dollars into foreign coffers.

All of it together reversed the balance-of-payments situation. Since our government adopted policies formulated by Harry Dexter White at the Bretton Woods Conference of 1944, the annual balance of payments has been running steadily against us. As foreigners accumulate surplus American dollars, they cash them in for gold out of our monetary reserve. Our gold reserve has thus been dispersed to other nations until today we are technically a bankrupt nation: that is, we now have less than half enough gold in our monetary reserve to meet all foreign claims against it.

The world supply of gold for monetary reserves is drying up. Most newly mined gold is going into private hands.[8] Hence, for at least the past 15 years, *the* international currency has been the American dollar. Dollars are held as monetary reserves by other nations to handle their international exchange — because the dollar (in



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foreign hands) is backed by gold at the fixed price of $35.00 an ounce. The international monetary system built on a dollar redeemable in gold will collapse when foreigners present for redemption dollars that we do not have gold to cover.

With our gold reserve being drained off at the rate of a billion dollars a year; with less than 14 billions in the reserve; with no new gold replenishing the supply; and with foreign nations already in a position to demand more than all the gold we have, it is evident that we are headed for disaster.

What are our money managers doing about the situation? They are working to make matters worse. For more than a year, representatives of the U.S. government have been meeting with foreigners, trying to create an international paper currency which all nations will accept instead of gold or gold-backed national currencies. The new international currency (to be called SDR for "special drawing rights") will merely be an arbitrary bookkeeping entry on the ledgers of the International Monetary Fund, representing a nation's reserve for international exchange. Against this "reserve" — which is nothing but a figure on paper — a nation can issue paper money for domestic use.[9]

In short, all money on earth will soon be the same: "paper gold," backed by nothing of value, issued and manipulated by a ruthless few who can control the people by controlling their money. In this unobtrusive, and rather abstruse, way, the worldwide socialist-communist dictatorship can be consolidated.

## What should be done?

All government controls on the price of gold should be removed. The use of gold as a medium of exchange in the United States should again be authorized. The government should be prohibited from issuing paper currency that is not fully backed by gold, redeemable by anybody at any time. In other words, we should return to a gold standard.

But before we can return to a gold standard, the spending of the federal government must be limited to strictly constitutional functions, and the national debt greatly reduced. I do not believe this can be done unless we first adopt the Liberty Amendment — which would repeal the income-tax amendment and compel the federal government to sell many multi-billion-dollar business enterprises which it has no constitutional authority to own and operate.


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### FOOTNOTES

(1) "Western Tour," *Congressional Quarterly Weekly Report*, Sept. 9, 1966, p. 1992

(2) "Communist Influence; As A Percentage of Total Control," *American Opinion*, July-Aug., 1966, pp. 76-7; population figures by separate countries from *The World Almanac And Book Of Facts*, Newspaper Enterprise Association, Inc., 1967, pp. 593-670

(3) "World Events," *The Wanderer*, Feb. 16, 1967, p. 8

(4) "The Ubiquitous Brandt," *The Review Of The News*, Feb. 22, 1967, p. 11

(5) "Armaments," *Time* magazine, March 3, 1967, pp. 29-30

(6) "U.S. Policy And The 'New Europe'," by Frank Church, *Foreign Affairs*, Oct., 1966, pp. 49-57

(7) Article by Edith Kermit Roosevelt, *The Wanderer*, March 9, 1967, p. 7

(8) "People Like Gold Standard, Distrust Paper Currencies," by Henry Hazlitt, *Columbus Dispatch*, Feb. 22, 1967, p. B7

(9) Article by Edwin L. Dale, Jr., *The New York Times*, Feb. 6, 1966, p. E5; article by Hobart Rowen, *The Dallas Times Herald*, Sept. 26, 1967, p. B6; article, *The Wall Street Journal*, Oct. 2, 1967, p. 5


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